

Aimin(David) Wang
Co-Owner & Managing Director
Eastern Travel & Tour Inc.

Mr. Chairman and Members of the Subcommittee:

My name is Aimin (David) Wang, co-owner and managing director of Eastern Travel & Tours Inc. Thank you for inviting me to testify today on the important topics of “Curbside Operator: Bus Safety and ADA Regulatory Compliance.”

Eastern Travel & Tours Inc. is a minority-owned small business, incorporated under the laws of the State of New York. It has been in business as a motor carrier of passengers since 2002. Currently we provide daily bus trips between New York City and Washington DC and limited service to Rockville (Maryland), Richmond (Virginia), under authority issued by the Federal Motor Carrier Safety Administration, MC-429551.

The mission of Eastern Travel & Travel Inc. is to provide low cost and safe bus transportation for our customers, and quality service is always our top priority. In order to accomplish our mission, we operate with a business model that allows us to offer tremendous value to consumers. Just as importantly we also rigorously maintain our fleet in order to ensure the safety of our customers. It is not in my best interest as a business owner to offer unreliable or unsafe bus service. Just as the owner of R. Jack Heavy Equipment, our contract maintenance facility, says, “David (Aimin), you are the only one I know is to maintain the buses, not just repair only when needed”.

Mr. Chairman and Members of the Subcommittee, our big competitors always wonder how curbside operators make money with such deep price cuts. They claim that we do not comply with government regulations and skirt the laws to gain an unfair advantage. As stated in the American Bus Association’s 2006 *State of the Motorcoach Industry* report, “The issue of curbside operators is quickly becoming more than industry news and it expands beyond the Northeast region. Curbside operators are now making national news with stories on Fox News and major national networks as well as articles in Washington Post, Time Magazine, the Wall Street Journal and other national news outlets. Stories profile how these low-cost operators skirt the rules to save money; conducting business outside of required regulations and guideline governing safety, ADA compliance, environmental laws and even security”.

I stand here before you today as a business owner who has complied with regulations set forth by the Department of Transportation. My company has all necessary insurance and the buses I use have met all safety standards. I do not succeed in my business by avoiding the laws; I succeed because I have taken a different approach to operating my bus company. Just as Southwest Airlines found a new formula for running a profitable airline, so-called “curbside” bus operators have found a way to offer reliable and safe service at a lower cost to consumers. This is extremely threatening to traditional carriers and they will try and find a way to maintain their favorable position in the bus transportation industry in this country.

Now let me explain how do we make money despite offering consumers low fares? First, we do not have overpaid chief executives. Second, we make money because we, like all small business owners, work very hard around the clock. Many business owners actually

drive their own bus. Third, we save money by eschewing traditional advertising in favor of word-of-mouth advertising. If we really had such big problems with safety issues like our competitors say, then we should have no customers or at least a decreased customers base. Nobody would risk their life or their family members' lives, just to save a couple of dollars. My business has grown every year, not just because we offer low fares, but also because we offer reliable and safe bus service.

Let me make a calculation: When Peter Pan replaced American Coach Lines on the New York-Washington DC bus route in June 1992, it offered an introductory fare of \$9.95 to gain publicity and build customer loyalty. Greyhound, the remaining competitor, responded by lowering its fare to \$7 and then to \$5. Peter Pan matched each reduction. If we assume the inflation rate is about 5% each year, the \$5 in 1992 is about \$9.90 in 2006. If these big competitors could run \$5 in 1992 without skirting the rules to save money, why can't we run the same line for \$20, twice as much as their price in 2006 dollars?

It is also worth pointing out that the real winners here are consumers. One need only look at the routes where there is competition from curbside carriers to see the lower fares offered by the traditional carriers. Greyhound, which charges a whopping \$4 per ticket service charge for purchasing online, is somehow able to forgo this charge on its New York-DC and New York-Boston routes.

Do bus carriers need to adhere to the regulations set forth by the government? Absolutely. However, we should be very careful that companies with a lot of lobbying power do not cry unfair competition in order to maintain the status quo and get rid of competition from small business owners.

Mr. Chairman and members of the Subcommittee, let me address the central issues of today: how do we comply with "Bus Safety and ADA Regulatory"?

When we talk about safety issues, I have to point out that most of buses are leased from New Oriental Tour Inc., which has interstate authority under the Federal Motor Carrier Safety Administration, MC 317281, and intrastate authority from Department of Transportation of New York State, NYDOT #:33665. I also want to point out that the motor carrier safety rating for New Oriental Tour Inc. is "satisfactory" for both 2004 & 2005 and buses are inspected by New York State DOT agents every six months plus at least eight times a year randomly inspected by Federal Motor Carrier Safety Administration in New York City and Washington DC.

Here is an overview of the measures we take to ensure the safety of our passengers:

1. Bus Safety:

a. Controlled Substances and Alcohol Use and Testing:

We have a written company policy about substance abuse and testing, and each driver has a copy of it. We have Pre-Employment test; Pre-Transfer test; Random Test; Post-

Accident Test; Reasonable Suspicion Test; Return-to-Duty Test; Follow-Up Test, also our supervisors receive 60 minutes of training on alcohol misuse and an additional 60 minutes of training on controlled substances use.

b. Qualification of Drivers:

This is our “to do” list for all drivers:

- Complete application for employment
- Make inquiries to previous employers
- Get a NYS-DMV report through insurance company or driver
- Resubmit a DMV report, if the driver has been employed more than 1 year
- Copy the driver’s medical certificate
- Fill out the annual violations list if driver has been employed more than 1 year
- Fill out the I-9 Immigration form and review proper identification
- Road test the driver
- If driver is new to the company, he must complete the hours of service record to document all work in the previous 7-day period
- Get the driver to sign a release and contact previous employers to check on drug and alcohol testing results.
- Provide the driver with a copy of our drug & alcohol testing company policy along with a contact name and phone number. Get the driver to sign a receipt that he/she has received our policy.
- Send the driver for pre-employment drug test and do not use the driver until we get the results of the drug test.
- Check the driver’s CDL to be sure that he/she has the proper endorsements to driver buses.

In addition to the above, every driver must be 19A active under New York State law.

c. Additional Safety Measures

Eastern Travel & Tours, Inc has a driver’s manual & written safety policy. In addition we have a motor vehicle accident register, documented safety meetings and motor vehicle maintenance logs. We also carefully control driver’s hours of service, follow 10/60/70 rule, all our drivers’ daily logbooks are standard with the bus driver’s vehicle inspection report.

2. ADA Regulations:

Eastern Travel & Tours Inc. is committed to protecting the rights of persons with disabilities. All persons with disabilities have priority when boarding the bus. We ensure that the drivers are trained to properly use lift and securement devices, properly maintain lift and securement devices, and to assist and treat individuals with disabilities who use the service in a respectful and courteous manner.

In addition, Eastern Travel & Tours Inc. has a log sheet to record special disability service request, it includes customers name, telephone number and the date the customers made the request. As a small operator, we do have one coach equipped with wheelchair lift and it is running on a daily base.

Conclusion:

We firmly believe in the tightly held American value of the free market. We also firmly believe that if you work hard, anyone can achieve the American dream. As small business owners, we are working hard to run our businesses, and to comply with bus safety and ADA regulations. We are out there everyday making our businesses successful. For example Betty Ungar, owner of Washington Deluxe, mother of 10 children, collects bus tickets every Sunday by herself and has no time to spend with her kids on Sunday. We don't mind competition; we are willing to cooperate with federal and state agencies to ensure bus safety and ADA compliance.

What we do not want is to be targeted just because we are threatening the bottom line of the big bus companies. As Steve Baily of the Boston Globe put it, "There is no secret what is going on. "The big dog out there, Peter Pan, is dead set against them," says Timothy Shevlin, executive director of the State Department of Telecommunication and Energy, which regulates bus companies. "They don't want that kind of competition."

If there is problems that need fixing, the government agencies should help us deal with those problems. We do need more help from Department of Justice about ADA issues, we do need more help from Department of Homeland Security about terrorist issues, and we do need more help from Federal Motor Carrier Safety Administration about safety issues. And, Mr. Chairman and the Members of the Subcommittee, we do need your help to protect consumers rights, to prevent the price of bus tickets from Washington DC to New York City to skyrocket to \$45 one-way again.

Once again thank you for inviting me to appear before you today.

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